

C. SPECIAL INCOME TYPES

Purpose: This section includes rules and procedures on how to treat the following income types:

WAC 388-450-0035	Educational benefits.
WAC 388-450-0040	Native American benefits and payments.
WAC 388-450-0045	How do we count income from employment and training programs?
WAC 388-450-0050	Income from the Community Jobs program.
WAC 388-450-0055	How does money from other agencies or organizations count against my benefits?
WAC 388-450-0065	gifts -- Cash and noncash.
WAC 388-450-0070	A child's earned income.
WAC 388-450-0010	The department takes some or all of your time-loss benefits if you get cash assistance while waiting for your claim to be processed.
WAC 388-450-0080	What is self-employment income?
WAC 388-450-0085	How we count your self-employment income.

Effective September 12, 2002

WAC 388-450-0035 Educational benefits.

This section applies to cash assistance, medical programs for children, pregnant women and families, and food assistance.

- (1) We do not count:
 - (a) Educational assistance in the form of grants, loans or work-study, issued from Title IV of the Higher Education Amendments (Title IV - HEA) and Bureau of Indian Affairs (BIA) education assistance programs. Examples of Title IV - HEA and BIA educational assistance include but are not limited to:
 - (i) College work study (federal and state);
 - (ii) Pell grants; and
 - (iii) BIA higher education grants.
 - (b) Educational assistance in the form of grants, loans or work-study made available under any program administered by the Department of Education (DOE) to an undergraduate student. Examples of programs administered by DOE include but are not limited to:
 - (i) Christa McAuliffe Fellowship Program;
 - (ii) Jacob K. Javits Fellowship Program; and
 - (iii) Library Career Training Program.
- (2) For assistance in the form of grants, loans or work-study under the Carl D. Perkins Vocational and Applied Technology Education Act, P.L. 101-391:
 - (a) If you are attending school half-time or more, we subtract the following expenses:
 - (i) Tuition;

- (ii) Fees;
 - (iii) Costs for purchase or rental of equipment, materials, or supplies required of all students in the same course of study;
 - (iv) Books;
 - (v) Supplies;
 - (vi) Transportation;
 - (vii) Dependent care; and
 - (viii) Miscellaneous personal expenses.
 - (b) If you are attending school less than half-time, we subtract the following expenses:
 - (i) Tuition;
 - (ii) Fees; and
 - (iii) Costs for purchase or rental of equipment, materials, or supplies required of all students in the same course of study.
 - (c) For cash assistance and medical programs for children, pregnant women and families, we also subtract the difference between the appropriate need standard and payment standard for your family size.
 - (d) Any remaining income is unearned income and budgeted using the appropriate budgeting method for the assistance unit.
- (3) If you are participating in WorkFirst Work Study, that work study income is:
- (a) Not counted for cash and medical assistance;
 - (b) Counted as earned income for food assistance.
- (4) If you are participating in a work study program that is not excluded in subsection (1), of this section, we count that work study income as earned income:

- (a) You get any applicable earned income disregards.
 - (b) For cash assistance and medical programs for children, pregnant women and families, we also subtract difference between the need standard and payment standard for your family size as described in WAC 388-478; and
 - (c) Budgeting remaining income using the appropriate budgeting method for the assistance unit.
- (5) If you get Veteran's Administration Education Assistance, we subtract all applicable attendance costs
- (a) All applicable attendance costs as subtracted; and
 - (b) The remaining unearned income is budgeted using the appropriate budgeting method for the assistance unit.

CLARIFYING INFORMATION

1. Title IV educational assistance that is excluded regardless of how the money is used or a client's graduate / undergraduate status:

- College Work-Study (CWS) Program, both federal and state programs
- Direct Loan Demonstration Program
- Family Education Loan Program (FELP)
- HEP/CAMP Programs, special programs for students whose families are engaged in migrant and seasonal farm work
- National Early Intervention Scholarship and Partnership Program
- Pell Grant Program
- Perkins Loan Program
- Presidential Access Scholarships
- PLUS Loan Program
- Robert C. Byrd Honors Scholarship Program
- Special Child Care Services for Disadvantaged College Students
- Stafford Loan Program
- State Need Grant (SNG) Program
- State Student Incentive Grant (SSIG) Program
- Supplemental Educational Opportunity Grant (SEOG) Program

- Supplemental Loans for Students (SLS) Program
 - TRIO Programs, special programs for students from disadvantaged backgrounds
2. **Educational assistance benefits where we exclude funds used for attendance costs:**
- Carl D. Perkins Vocational and Applied Technology Educational Act, P.L. 101-391
 - Bilingual Education - Fellowship Program
 - Christa McAuliffe Fellowship Program
 - Dwight D. Eisenhower Mathematics and Science Education Program
 - Jacob K. Javits Fellowship Program
 - Library Career Training Program
 - National Science Scholars Program
 - Patricia Roberts Harris Fellowship Program
 - Paul Douglas Teacher Scholarships
 - Ronald E. McNair Post-Baccalaureate Achievement Program
 - Other educational assistance, not listed above, in the form of grants, work study, scholarships, or fellowships
3. **Bureau of Indian Affairs (BIA) education assistance benefits that are excluded regardless of use:**
- BIA Higher Education Grants
 - Indian Education - Fellowship for Indian Students
4. **Employment or training funds:**

For information on employment or training funds, see WAC 388-450-0045.

WORKER RESPONSIBILITIES

1. **Averaging educational assistance over the period of use:**

Average educational assistance income meant to cover more than one month over the months the school expects the client to use the money.

2. **Changing from one school term to another:**

- a. When one school term ends and a new term begins in the same month, count the first day of the next full month as the start of the new term.
- b. **Do not** use costs from one school term to offset the educational assistance a client earns or gets in another term.

3. **Educational expenses disregarded as income can't be allowed as an expense for Basic Food:**

If you disregard a client's educational benefits under WAC 388-450-0035, allow only the expenses **above** the educational benefits you disregarded as an expense for Basic Food. See WAC 388-450-0185 for information on expenses that can be allowed as a deduction for Basic Food.

EXAMPLE

A client gets \$1200.00 educational benefits through the Perkins Act for January - March. \$400.00 is identified as being for childcare expenses. Client pays \$195.00 monthly for the care of their five-year-old daughter.

\$175.00 Maximum dependent-care deduction (age two and over)
- 133.33 (\$400 Earmarked expense / 3 months)
41.67 Dependent-care deduction

See **INCOME - Effect of Income on eligibility and benefit level** for information on deductions for Basic Food.

4. **Student loans:**

Consider student loans that clients must repay as bona fide loans under WAC 388-450-0015. Do not count student loans as income regardless of whether the student is part-time, full time, a graduate student, or an undergraduate.

5. **Work study:**

Count work-study income that is not specifically excluded in WAC 388-450-0035 as earned income using the following steps:

- a. For cash assistance:
 - (1) Exclude the amount earmarked for educational expenses;

- (2) Subtract the difference between the AU's need and payment standard from the remaining income of [1] above; and
- (3) Budget the remaining income as earned income to the AU. Average this income over the period of time the client's award letter states the assistance is for.

b. For Basic Food:

- (1) Exclude the amount earmarked for educational expenses; and
- (2) Budget the remaining income as earned income to the AU. Average this income over the period of time the client's award letter states the assistance is for.

NOTE: Examples of work-study income that is not excluded under WAC 388-450-0035 include WorkFirst work-study for Basic Food and VA work-study for cash and Basic Food.

NOTE: See **STANDARDS FOR ASSISTANCE- Cash assistance programs** to find the need and payment standards for the AU.

NOTE: See WAC 388-450-0170 for the TANF/SFA earned income incentive and deduction, and WAC 388-450-0175 for the GA-U earned income incentive and deduction.

6. **Educational assistance for TANF/SFA, RCA, GA and medical programs for children, pregnant women and families:**

- a. Look at the student's financial aid award letter to identify the amount and type of educational assistance.
- b. Use the Student Grant and Expense Verification, DSHS 14-173(X) to verify the gross amount of the educational assistance and the student's attendance costs.
- c. Disregard and exclude educational assistance as allowed under WAC 388-450-0035.
- d. Subtract the difference between the AU's need and payment standard

from the remaining income in [c.] above. See **STANDARDS - Cash assistance programs** to find the need and payment standards for the AU.

- e. Budget the remaining income as unearned income to the AU. Average this income over the period of time the client's award letter states the assistance is for.
7. **Carl D. Perkins educational assistance for TANF/SFA, RCA, GA and medical programs for children, pregnant women and families :**
- a. Decide if the student is a full-time or a half-time student. The school defines a full-time schedule. A half-time schedule is at least $\frac{1}{2}$ the full-time schedule.
 - b. Subtract attendance costs allowed in subsection (3) and (4) of WAC 388-450-0035 from the student's educational expenses based on the student's full- or half-time status.
 - c. Subtract the difference between the AU's need and payment standard from the remaining income of [b.] above. See **STANDARDS - Cash assistance programs** to find the need and payment standards for the AU.
 - d. Budget the remaining income as unearned income to the AU. Average this income over the period of time the client's award letter states the assistance is for.
8. **Veteran's Administration Education Assistance for TANF/SFA, RCA, GA and medical programs for children, pregnant women and families :**
- a. Subtract all attendance costs allowed in sub-sections (3) and (4) of WAC 388-450-0035 from the student's educational assistance. Budget the amount left as unearned income to the AU. Average this income over the period of time the VA states the assistance is for.
 - b. Do **not** subtract the difference between the AU's need standard and payment standard.

EXAMPLE

GAU client starts school in September and has attendance costs of \$600 for the semester of September through December. The client gets VA educational

assistance of \$400 a month.

\$1600	VA educational assistance Sept.- Dec. (\$400x4)
- \$600	Attendance costs
\$1000	Non-excluded income
 \$1000	 Non-excluded income
 / 4	 Months in term
\$ 250	Monthly unearned income

9. **Educational assistance for Basic Food:**

- a. Use the following steps to calculate student income for eligible AU members at certification or re-certification:
 - (1) Exclude all Title IV and BIA education assistance;
 - (2) Subtract the allowable attendance costs from the remaining education assistance; and
 - (3) Budget any remaining income as unearned income to the AU. Average this income over the period of time the client's award letter states the assistance is for.
- b. Work-study income that is not funded through Title IV or paid through the BIA is counted as earned income after subtracting educational expenses. Examples of work-study income that are not excluded for Basic Food are WorkFirst work-study and VA work-study.
 - (1) Exclude federal and state work-study income. Both federal and state work-study are Title IV work-study;
 - (2) For all other types of work-study, subtract amounts earmarked for educational expenses when the client is enrolled in classes; and
 - (3) Count the remaining work-study income as earned income.

NOTE: If a client is still employed in work-study over the summer and is not taking classes, do not subtract any educational expenses.

WAC 388-450-0040 Native American benefits and payments.

This section applies to TANF/SFA, RCA, GA medical and food assistance programs.

- (1) The following types of income are not counted when a client's benefits are computed:
 - (a) Up to two thousand dollars per individual per calendar year received under the Alaska Native Claims Settlement Act, P.L. 92-203 and 100-241;
 - (b) Income received from Indian trust funds or lands held in trust by the Secretary of the Interior for an Indian tribe or individual tribal member. Income includes:
 - (i) Interest; and
 - (ii) Investment income accrued while such funds are held in trust.
 - (c) Income received from Indian judgment funds or funds held in trust by the Secretary of the Interior distributed per capita under P.L. 93-134 as amended by P.L. 97-458 and 98-64. Income includes:
 - (i) Interest; and
 - (ii) Investment income accrued while such funds are held in trust.
 - (d) Up to two thousand dollars per individual per calendar year received from leases or other uses of individually owned trust or restricted lands, P.L. 103-66;
 - (e) Payments from an annuity fund established by the Puyallup Tribe of Indians Settlement Act of 1989, P.L. 101-41, made to a Puyallup Tribe member upon reaching twenty-one years of age; and
 - (f) Payments from the trust fund established by the P.L. 101-41 made to a Puyallup Tribe member.
- (2) Other Native American payments and benefits that are excluded by federal law are not counted when determining a client's benefits. Examples include but

are not limited to:

- (a) White Earth Reservation Land Settlement Act of 1985, P.L. 99-264, Section 16;
- (b) Payments made from submarginal land held in trust for certain Indian tribes as designated by P.L. 94-114 and P.L. 94-540; and
- (c) Payments under the Seneca Nation Settlement Act, P.L. 101-503.

CLARIFYING INFORMATION

1. Native American income, judgment funds, trust funds, and lands held in trust that are excluded under federal law:

Educational assistance issued from the BIA	P.L. 102-325
Payments from Alaska Native Claims Settlement Act	P.L. 92-203 and P.L. 100-241
Indian Judgment Funds or Funds Held in Trust	P.L. 93-134, P.L. 97-458 and P.L. 98-64
Payments from the Puyallup Tribe of Indians Settlement Act of 1989	P.L. 101-41
Payments from Lease of Restricted Lands	P.L. 103-66
White Earth Reservation Land Settlement Act of 1985	P.L. 99-264, Section 16
Payments made from Submarginal Land held in Trust for Certain Indian Tribes	P.L. 94-114 and P.L. 94-540
Payments from the Disposition of Funds to the Grand River Band of Ottawa Indians	P.L. 94-540
Payments from the Indian Claims Commission to the Confederated Tribes and Bands of the Yakima Indian Nation and Apache Tribe	P.L. 95-433
Relocation Assistance Payments to Members of the Navajo and Hopi Tribes	P.L. 93-531, Section 22
Payments under the Seneca Nation Settlement Act	P.L. 101-503
Payments under the Turtle Mountain Band of Chippewas, Arizona	P.L. 97-403
Funds Distributed Per Capita or Held in Trust Under the Sac and Fox Indian Claims Agreement	P.L. 94-189

ELIGIBILITY A-Z**Income**

Payments under the Red Lake Band of Chippewas	P.L. 98-123
Payments and Certain Funds Held in Trust for Chippewa Indians	P.L. 98-102, 99-146, 99-264, 99-346, and 99-377
Payments to the Blackfeet, Gros-Ventre, and Assiniboine Tribes of Montana, and the Papago of Arizona	P.L. 97-408 and 98-124
Per Capita Shares of \$2,000 or Less to Heirs under the Old Age Assistance Claims Settlement Act	P.L. 98-500
Payments made to the Confederated Tribes of the Colville Reservation Grand Coulee Dam Settlement Act	P.L. 103-436
Payments under the Maine Indian Claims Settlement Act of 1980	P.L. 96-420
Bureau of Indian Affairs (BIA) General Assistance Program	

2. All other Indian benefits and payments:

For TANF/SFA, RCA, GA, medical, and Basic Food, If Indian payments or benefits are not specifically excluded under WAC 388-450-0040 or any federal law, the payments are counted as unearned income to the AU.

WORKER RESPONSIBILITIES

For TANF/SFA, GA and Basic Food:

1. Review Indian payments to decide all of the payment is excluded.
2. Follow the instructions for the Indian payments listed below.
3. Document the source of the payment and how you treated it on the REMARKS screen.

Alaska Native Claims Settlement Act

1. Identify any benefits a client receives from the Alaska Native Claims Settlement Act. The types of benefits include:
 - a. Cash (including cash dividends on stock received from a Native Corporation);
 - b. Shares of stock (including stock issued or distributed by a Native Corporation as a dividend or distribution on stock);

- c. A partnership interest;
 - d. Land or an interest in land (including land or an interest in land received from a Native Corporation as a dividend or distribution on stock); and
 - e. An interest in a settlement trust.
- 2. Disregard:
 - a. The first \$2,000 per calendar year each client receives from this Act; and
 - b. Shares of stock, a partnership interest, land, and interest in a settlement trust.
- 3. Count the following as unearned income:
 - a. Cash received above the disregard of \$2,000 per individual per calendar year; and
 - b. Profit earned from the client's Alaska Native Claims Settlement Act resources (e.g., interest or dividend payments earned from investment of the excluded \$2,000).
- 4. Budget the unearned income to the AU.

Judgment Funds

- 1. Disregard judgment funds or per capita payments received by a tribal member as follows:
 - a. Funds paid as "per capita payments" or judgment payments to members of the tribe; and
 - b. Up to \$2,000 income made from individually owned trust or restricted lands.
- 2. Count as unearned income:
 - a. Income above the \$2,000 disregard; and

- b. Per capita payments the client received from another eligible tribal member or as an inheritance.
- 3. Budget the income to the AU.

Colville Tribe Settlement Trust Funds

Disregard:

- 1. Indian judgment funds or funds held in trust for a tribal member;
- 2. Interest income accrued while funds are held in trust; and
- 3. Investment income accrued while funds are held in trust.

Puyallup Tribe of Indians Settlement Act

- 1. Treat payments from the annuity fund established by the Puyallup Tribe of Indians Settlement Act of 1989 (annuity fund payments) made to a Puyallup Tribe member as follows:
 - c. Disregard the payment when the annuity fund payment is kept as cash on hand or deposited in a checking or savings account.
 - d. Budget income (i.e., interest) received from the annuity fund payment as unearned income.
- 2. When a client reports the annuity fund payment, inform the client about how the annuity fund is treated. Give the client a copy of Appendix I, The Effect of the Puyallup Settlement Agreement on your Eligibility for Public Assistance, found at the end of this section.
- 3. Document on the REMARKS screen whether you gave the client the information sheet in person or mailed it to the client.
- 4. Disregard real or personal property the client bought directly with funds from the annuity fund payment (initial investments). Disregard the amount of the funds directly invested from the annuity fund payment.
 - a. Budget income received from the initial investments as unearned income.

- b. When the real or personal property bought by the client is not excluded as a resource, count any increase in the initial investment's value as a resource.
 - (1) At the client's eligibility review, decide if the initial investment has increased in value.
 - (2) Determine the effect of any increase on the client's resources.
- 5. Disregard payments to a Puyallup Tribe member from the Puyallup Tribe of Indians Settlement Act trust fund.
- 6. When clients transfer an initial investment, see **TRANSFER OF PROPERTY** to decide how the transfer affects the client's eligibility.

Indian Benefits - Trust Funds

Disregard:

- 1. Indian trust funds or lands held in trust for a tribal member;
- 2. Interest income accrued while funds are held in trust; and
- 3. Investment income accrued while funds are held in trust.

Trust Fund Guardianship

When a client tells you that the BIA superintendent of the tribe controls their trust fund, use the following procedures:

- 1. Request verification of the status of Indian trust funds (including any amount that is in the client's account). **DO NOT** determine eligibility until you have the verification.
- 2. Refer the client to the superintendent to attempt to make the trust funds above the excluded level available to meet the client's needs. **NOTE:** Excluded level means:
 - a. The personal property resource limit for the program; plus
 - b. Amounts held in trust or which were received as the result of per capita

judgment funds awarded by the Indian Claims Commission or Court of Claims.

3. Tell the client they must provide us with a written statement from the superintendent telling us:
 - a. Whether the superintendent is maintaining control of the client's trust funds; and
 - b. Whether trust funds above the excluded level will be available to meet the client's current need.
4. How to count funds above the excluded level:

Count funds above the excluded level as available to meet needs when:	Don't count funds above the excluded level as available to meet needs when:
<ul style="list-style-type: none"> • The funds are paid directly to the client; or • The superintendent pays the funds to someone else for items that duplicate basic needs 	<ul style="list-style-type: none"> • The funds are not paid out; or • The superintendent pays the funds to someone else for items that do not duplicate items contained in the department's need standard.

5. Budget the available income as unearned income to the AU.
6. Review payments from the trust account at each eligibility review.
7. Request the client to get a written statement from the superintendent to identify all payments and why each payment was made in order to redetermine eligibility
8. If necessary, write the superintendent to request the needed information. Enclose a Statement of Collateral Information, DSHS 14-222(X) and a Release of Information signed by the client.

Bureau of Indian Affairs (BIA General Assistance Program)

For GAU:

1. BIA General Assistance meets "essential needs" of Indians while they wait for a GAU eligibility determination or if they have been denied for other federal, state, county or local assistance programs.

2. Refer Indian clients who have applied for GAU to the appropriate Indian agency to apply for BIA General Assistance when the client:
 - a. Is a member of a United States federally-recognized tribe; and
 - b. Lives on an Indian reservation in Washington State; or
 - c. Lives in a BIA approved "near-reservation" area for their tribe. (See Appendix B, Indian Agencies Serving Tribes with a Near-Reservation Designation, to find out if clients live in an approved area); and
 - d. Is applying for assistance and has an emergent need; or
 - e. Is not eligible for benefits from DSHS.
3. To find out if a client meets the near-reservation designation and what Indian agency serves the tribe:
 - a. Use Appendix B, Indian Agencies Serving Tribes with a Near-Reservation Designation, to find out if the Indian lives in a near-reservation designated area.
 - b. Use Appendix B to find out what Indian agency serves the tribe with a near-reservation designation.
 - c. For Indian tribes not listed in Appendix B, there are no near-reservation designations. Indians from tribes without a near-reservation designation can get BIA General Assistance **only** if they live on the reservation. See Appendix C, Indian Agencies Serving Tribes without a Near-Reservation Designation.
4. Indians that aren't native to the local agency are not eligible for BIA General Assistance when they live in a near-reservation designated area.
5. Have the client complete an Authorization to Release Information, DSHS 14-012(X). Be sure the form is completed to allow the department to provide information to the Indian agency as well as request information from the Indian agency.
6. Usually, BIA General Assistance is issued when the Indian is not eligible for other assistance programs. In an emergency, a client may qualify for BIA General

Assistance while DSHS makes an eligibility decision. Do **not** deny benefits to a client because BIA General Assistance is available to them.

7. When a client gets BIA General Assistance and is found eligible for GAU, count the BIA General Assistance as assistance from other agencies and organizations. See WAC 388-450-0055.

APPENDIX I

<p style="text-align: center;">STATE OF WASHINGTON</p> <p style="text-align: center;">DEPARTMENT OF SOCIAL AND HEALTH SERVICES</p> <p style="text-align: center;"><u>HOW THE PUYALLUP SETTLEMENT AGREEMENT WILL AFFECT YOUR ELIGIBILITY FOR PUBLIC ASSISTANCE</u></p>
<p>If you receive the annuity fund payment, it will not affect your cash, Basic Food, or medical assistance:</p> <ul style="list-style-type: none">• When you receive the payment;• As long as you keep the payment as cash on hand or in a bank account; or• If you make a purchase or investment directly with the cash from the payment.
<p>How you use your payment may affect your cash, Basic Food, or medical assistance:</p> <ul style="list-style-type: none">• If you use the annuity fund payment to buy an item, and the item increases in value, the increase may affect your eligibility for benefits.• If you use the annuity fund payment to earn interest from savings, you must report the interest as income. This income may affect your benefits.• If you use the annuity fund payment to make an investment, and the investment increases in value, the increase may affect your eligibility benefits.• If you sell, trade, or give away your purchase, savings, or investment, you must tell your local Community Service Office. The money or good you get in exchange may affect your eligibility for benefits.
<p>IF YOU HAVE QUESTIONS ABOUT YOUR ELIGIBILITY, PLEASE CONTACT YOUR LOCAL COMMUNITY SERVICE OFFICE</p> <p>Department of Social and Health Services March 2003</p>

APPENDIX II

**INDIAN AGENCIES SERVING TRIBES WITH A NEAR-RESERVATION
DESIGNATION**

Colville Agency William E. Nicholson, Superintendent Connie George, Social Worker P.O. Box 111 Nespelem, WA 99155 (509) 634-4711	Colville Tribe: Douglas, Ferry, Grant, Okanogan and Stevens counties
Nez Perce Tribe, Dept. of Social Services Stella Charles, Manager Karole White, Social Worker P.O. Box 365 Lapwai, ID 83540 (208) 843-2463	Nez Perce Tribe: Towns of Asotin and Clarkston.
Olympic Peninsula Agency Raymond Maldonado, Superintendent 1216 Skyview Drive P.O. Box 48 Aberdeen, WA 98520 (360) 533-9100	Chehalis Tribe: Cowlitz, Grays Harbor, Lewis, Mason and Thurston counties Hoh Tribe: Clallam, Grays Harbor and Jefferson counties Quileute Tribe: King County, Town of Forks Shoalwater Bay Tribe: Grays Harbor and Pacific counties Squaxin Island Tribe: Kitsap, Mason, Pierce, and Thurston counties
Puget Sound Agency William A. Black, Superintendent Albert Milk, Social Worker 3006 Colby Avenue Federal Building Everett, WA 98201	Jamestown / Klallam Tribe: Kitsap County Lummi Tribe: Whatcom County

(425) 258-2651	<p>Muckleshoot Tribe: King and Pierce counties</p> <p>Nisqually Tribe: Pierce and Thurston counties</p> <p>Nooksack Tribe: Skagit and Whatcom counties</p> <p>Puyallup Tribe: King, Kitsap, Pierce and Thurston counties</p> <p>Suquamish Tribe: King, Kitsap, Mason, Pierce, Snohomish and Thurston counties</p> <p>Swinomish Tribe: Skagit County</p> <p>Tulalip Tribe: Snohomish County</p>
<p>Spokane Agency Sharon Yepa, Superintendent Merrita Ford, Social Worker P.O. Box 389 Wellpinit, WA 99040</p> <p>(509) 258-4561</p>	<p>Kalispel Tribe: Pend Oreille, Spokane and Stevens counties</p> <p>Spokane Tribe: Lincoln, Pend Oreille, Spokane and Stevens counties</p>
<p>Yakima Agency Ernie Clark, Superintendent Larry Carranza, Social Worker P.O. Box 632 Toppenish, WA 98948</p> <p>(509) 865-2255</p>	<p>Yakima Tribe: Grant, Klickitat, Skamania and Yakima counties</p> <p>Towns of Ellensburg and Wenatchee.</p>

APPENDIX III***INDIAN AGENCIES SERVING TRIBES WITHOUT A NEAR-RESERVATION
DESIGNATION*****Olympic Peninsula area:**

- Lower Elwha
- Makah
- Ozette
- Port Madison
- Quinault
- Skokomish

Puget Sound area:

- Stillaquamish
- Upper Skagit/Sauk-Suiattle

Effective February 1, 2002

WAC 388-450-0045 How do we count income from employment and training programs?

This section applies to cash assistance, food assistance, and medical programs for families, children, and pregnant women.

- (1) We treat payments issued under the Workforce Investment Act (WIA) as follows:
 - (a) For cash assistance and medical programs for families, children, and pregnant women, we exclude all payments.
 - (b) For food assistance:
 - (i) We exclude OJT earnings for children who are eighteen years of age or younger and under parental control as described in WAC 388-408-0035.
 - (ii) We count OJT earnings as earned income for people who are:
 - (A) Age nineteen and older; or
 - (B) Age eighteen or younger and not under parental control.
 - (iii) We exclude all other payments.
- (2) We treat payments issued under the National and Community Service Trust Act of 1993 (AmeriCorps) as follows:
 - (a) We exclude OJT earnings for children who are eighteen years of age or younger and under parental control as described in WAC 388-408-0035(2)(c).
 - (b) We count OJT earnings as earned income for people who are:
 - (i) Age nineteen and older; or
 - (ii) Age eighteen or younger and not under parental control.
 - (c) We exclude all other payments.
- (3) We exclude payments issued under Title II of the Domestic Volunteer Act of 1973, such as Retired Senior Volunteer Program (RSVP).

- (4) We treat payments issued under Title I of the Domestic Volunteer Act of 1973, such as VISTA, as follows:
 - (a) For cash assistance and medical programs for families, children, and pregnant women, we exclude all payments.
 - (b) For food assistance, we count most payments as earned income. We exclude the payments if you got:
 - (i) Food assistance or cash assistance at the time you joined the Title I program; or
 - (ii) You were participating in the Title I program and got an income disregard at the time of conversion to the Food Stamp Act of 1977. We will continue to exclude the payments you get even if you do not get food assistance every month.
- (5) We count training allowances from vocational and rehabilitative programs as earned income when:
 - (a) The program is recognized by federal, state, or local governments; and
 - (b) The allowance is not a reimbursement.
- (6) When GAU clients receive training allowances we allow:
 - (a) The earned income incentive and work expense deduction specified under WAC 388-450-0175, when applicable; and
 - (b) The actual cost of uniforms or special clothing required for the course as a deduction, if enrolled in a remedial education or vocational training course.
- (7) We exclude support service payments received by or made on behalf of WorkFirst participants.

CLARIFYING INFORMATION

Job Training Partnership Act (JTPA)

JTPA ended when it was replaced by the Workforce Investment Act (WIA).

Job Corps

Job Corps is funded through Title 1-C of WIA and is treated as described in WAC 388-450-0045 (1).

VISTA Income

The VISTA program is now a part of Americorps and is known as Americorps VISTA. **All** VISTA income is excluded for all cash, medical, and food assistance programs.

Effective January 1, 2002

WAC 388-450-0050 How are your cash assistance and food assistance benefits determined when you are participating in the community jobs (CJ) program?

- (1) When you work in the community jobs (CJ) program, you get part of your money from the job and part as a TANF grant. The department estimates your total monthly income from your CJ position based on the number of hours you, your case manager and the CJ contractor expect you to work for the month. We multiply the number of hours by the federal or state minimum wage, whichever is higher, to get your monthly income.
- (2) Once we determine what your total monthly income is expected to be, we do not change your TANF grant if your actual hours are more or less than anticipated.
- (3) We treat the total income we expect you to get each month from your CJ position as:
 - (a) Earned income for cash assistance.
 - (b) Unearned income for food assistance.
- (4) For cash assistance, we do not count any of the CJ income that you get in the first month that you work in the CJ position.
- (5) If your anticipated CJ income is more than your grant amount your cash grant is suspended. This means that you are considered to be a TANF/SFA recipient, but you do not get a grant.
 - (a) The grant suspension can be up to a maximum of nine months.
 - (b) As long as you would be eligible for a grant if we did not count your CJ income, you can keep participating in CJ even though your grant is suspended.
 - (c) The months your grant is suspended do not count toward your sixty month lifetime limit.
- (6) If your income from other sources alone not counting CJ income makes you ineligible for a cash grant, we terminate your grant and end your participation in CJ.

CLARIFYING INFORMATION**General information about the community jobs program:**

1. The Community Jobs (CJ) program gives TANF clients subsidized jobs when they did not succeed in job search and when the client may have barriers to employment. See WAC 388-310-1300 for additional information on CJ
2. The Community Jobs Contractor (CJC) is the client's official employer. It is not a change if the client moves from one job assignment to another if the contractor doesn't change.

WORKER RESPONSIBILITIES**1. Budgeting CJ income:**

Budget CJ income stated in WAC 388-450-0050 (3)-(6). See **INCOME - Income Budgeting**.

NOTE: ACES automatically excludes a client's anticipated CJ income for TANF/SFA and counts it for Basic Food in the client's first month of CJ participation.

NOTE: Remember that CJ income may vary in the first and last months.

NOTE: If you enter a change in CJ income that causes the grant to be less than \$10.00, ACES will put the case into suspense.

2. When CJ income makes the AU ineligible for TANF / SFA:

If CJ wages alone make the AU over the maximum earned income limit for TANF/SFA under WAC 388-478-0035, keep the case in suspense throughout the nine-month CJ enrollment period. See "When CJ income puts a case in suspense" below.

3. When a client has income from CJ and another source:

- a. If the countable income from the other source **alone** puts the AU over the appropriate payment standard, terminate benefits and end the client's CJ component; or

- b. If the AU would still be eligible without counting the CJ income, suspend TANF / SFA and continue with the CJ component.

4. **When CJ income puts a case in suspense:**

Budget child-support payments the Division of Child Support forwards to the client against the Basic Food benefits. The support payments are **not** retained support. We count child support as the child's unearned income.

5. When CJ income causes a reduction in the grant:

- a. CJ wages cause the TANF / SFA grant to be reduced, which may cause the AU's child support to be more than their TANF / SFA grant. When the AU's child support exceeds the cash grant for two months, ACES automatically closes the case.
- b. To keep the client participating in CJ when the case has been closed, the worker has to code the CJ wages as "OF" (other countable FS income) on the unearned income screen.
- c. Decide if the case should be terminated when you look at it for the next 90-day review. See WAC 388-310-1300.

6. **When the CJC reports a change:**

If the CJC reports a change that affects a client's benefits, follow the change of circumstance rules in WAC 388-418-0020.

Effective June 22, 2002

WAC 388-450-0055 How does money from other agencies or organizations count against my benefits?

- (1) For cash assistance and medical programs for children, pregnant women, and families:
 - (a) We do not count money given to you by other agencies or organizations if the money is given to you for reasons other than ongoing living expenses. Ongoing living expenses include the following items:
 - (i) Clothing;
 - (ii) Food;
 - (iii) Household supplies;
 - (iv) Medical supplies (nonprescription);
 - (v) Personal care Items;
 - (vi) Shelter;
 - (vii) Transportation; and
 - (viii) Utilities (e.g., lights, cooking fuel, the cost of heating or heating fuel).
 - (b) If the money given to you is supposed to be used for ongoing living expenses, we count the amount remaining after we subtract the difference between the need standard and the payment standard for your family size as described in [chapter 388-478 WAC](#).
- (2) For food assistance:
 - (a) We do not count money given to you if:
 - (i) It is given to you by a private, nonprofit, charitable agency or organization; and
 - (ii) The amount of money you get is no more than three hundred dollars in any one of the following calendar quarters:
 - (A) January - February - March,

	(B) April - May - June,
	(C) July - August- September,
	(D) October - November - December.
(b)	We count the entire amount if the requirements in (a) of this subsection are not met.
(3)	For cash assistance, food assistance, and medical programs for children, pregnant women, and families, if we do count the money you get, we treat it as unearned income under WAC 388-450-0025 .

CLARIFYING INFORMATION

1. Assistance from other agencies and organizations:
 - a. Includes cash and in-kind income; and
 - b. Can come from public or private agencies or organizations.
2. For cash and medical assistance, we can exclude money given by a public or for-profit companies as long as the money is not intended for ongoing living expenses. For Basic Food, we must count any money give by a public or for-profit company.

WORKER RESPONSIBILITIES

For Cash Assistance and Medical Programs for Children, Pregnant Women and Families

1. Verify the following information:
 - a. How much assistance the client receives;
 - b. How often the client receives the assistance;
 - c. Why the client receives the assistance;
 - d. What conditions the client had to meet to receive the assistance; and

- e. What the client must do to continue to receive the assistance.
2. Subtract the following from the gross assistance:
 - a. Any amount not intended to cover ongoing living expenses;
 - b. Any amount provided under conditions which prevent it from being used for the client's current living expenses (e.g., a damage deposit provided by the Salvation Army for the AU to relocate after a fire); and
 - c. The difference between the need standard and payment standard for the AU.
3. Budget any remaining assistance as unearned income for the month.

EXAMPLE

A three-person AU got \$1,500 in assistance from a local community agency after their apartment complex was condemned. Of the \$1,500, \$600 is for a damage deposit at the new apartment the agency found for the AU. The other funds are for household items.

Total Assistance	\$1,500	Need Standard	\$1,247
Less Damage Deposit	- 600	Payment Standard	- 546
Amount Duplicating Need	\$ 900	Disregard Amount	\$ 701
Disregard Amount	- 701		
Available Income	\$ 199		

Effective September 12, 2002

WAC 388-450-0065 Gifts--Cash and noncash.

A gift is an item furnished to a client without work or cost on his or her part.

- (1) A cash gift is a gift that is furnished as money, cash, checks or any other readily negotiable form.
 - (a) For cash assistance and medical programs for children, pregnant women and families, cash gifts totaling no more than \$30 per calendar quarter for each assistance unit member are disregarded as income.
 - (b) For food assistance programs:
 - (i) Cash gifts to the assistance unit are excluded if they total \$30.00 or less per quarter.
 - (ii) Cash gifts in excess of \$30.00 per quarter are counted in full as unearned income.
- (2) For cash assistance medical programs for children, pregnant women and families, and food assistance a noncash gift is treated as a resource.
 - (a) If the gift is a countable resource, its value is added to the value of the client's existing countable resources and the client's eligibility is redetermined as specified in chapter 388-470 WAC.
 - (b) If the gift is an excluded or noncountable resource, it does not affect the client's eligibility or benefit level.

CLARIFYING INFORMATION

1. For Basic Food, the definition of a "quarter" for this rule is any consecutive three-months. The quarter does not have to be a calendar quarter.
2. A gift is an item voluntarily given to someone without expected something in return. Some common examples where someone may receive a gift include birthdays, Christmas, weddings, and graduations.

- a. A cash gift is a gift that is in the form of cash, checks, or sellable securities such as stocks or bonds.
- b. A non-cash gift is any gift that is not considered a cash gift. Examples of non-cash gifts include:
 - (1) Real or personal property (e.g., a home, television, or new furnace); and
 - (2) Goods or services provided at no charge to the client. (e.g., free phone service provided by the telephone company).

WORKER RESPONSIBILITIES

- 1. **Cash gifts for cash assistance medical programs for children, pregnant women and families:**
 - a. If more than one person share a cash gift, find out the client's share in the gift by dividing the amount of the gift by the number of persons receiving it. If the person giving the gift states that the gift must be divided in a specific way, use the method stated by the gift giver.
 - b. Disregard the first \$30 each person gets in cash gifts for each calendar quarter.
 - c. Budget any amount above the \$30 disregard as unearned income to the AU.
- 2. **Cash gifts for Basic Food:**
 - a. If the AU received more than \$30.00 as a cash gift, budget the entire amount of the gift as unearned income for the month; or
 - b. If the AU received \$30.00 or less as a cash gift, disregard the cash gift if any one of these conditions are met:
 - (1) If the cash gifts to the AU over the current and previous two months total \$30.00 or less;
 - (2) If the cash gifts to the AU over last month, the current month, and those expected for the next month total \$30.00 or less; or

- (3) If the cash gifts to the AU over the current and those expected for the next two months total \$30.00 or less.
 - c. If none of the conditions in (b) are met, budget the entire amount of the gift as unearned income for the month you expect the client to get the income. If a client doesn't know that they will get a cash gift in time for use to affect the client's benefits, do not budget the gift. See **.INCOME – Budgeting**.
- 3. **Non- cash gifts for cash assistance and medical programs for children, pregnant women and families:**
 - a. Disregard non-cash gifts when:
 - (1) The gift is a voucher or vendor payment (a payment made for a client by another person to a vendor of goods or services);
 - (2) The donor states in writing that the gift must be used for a specific purpose;
 - (3) The gift is within the resource limits for the program the client receives; or
 - (4) The gift is excluded.
 - b. For information on non-cash gifts as resources, see the specific resource type in **RESOURCES**.

Effective February 1, 2002

WAC 388-450-0070 How do we count the earned income of a child?

- (1) For food assistance and medical programs for families, children, and pregnant women, we do not count the earnings of a child if the child is:
 - (a) In school;
 - (b) Age seventeen or younger;
 - (c) Not married; and
 - (d) Not emancipated.
- (2) For cash assistance, we do not count the earnings of a child if the child is:
 - (a) In school; and
 - (b) Meets the age and attendance requirements in WAC 388-404-0005.
- (3) School includes:
 - (a) Participating in a home-school program that is approved by the superintendent of public instruction; or
 - (b) On break between school terms when the child:
 - (i) Was enrolled during the previous school term; and
 - (ii) Plans to return to school when it reopens.
- (4) For medical programs, if we count the earnings of the child, we put the child in a separate MAU as described in WAC 388-408-0055.

CLARIFYING INFORMATION

1. A child's age on the first day of the month is their age for that month. For example, a child turns 18 on February 6. We consider them as 17 in February and 18 in March.
2. Even though they have children of their own, minor parents are considered children for the purposes of this rule. They can qualify for the earnings exclusion if they meet the other eligibility requirements.
3. A child who meets the age requirements can be attending any type of

educational program and have their earnings excluded. This includes vocational training and college courses.

4. The month after the income is received, we count the child's earnings as a resource even if we did not count them as income. The child's resources are added to the resources of the entire assistance unit (AU) for that month to determine eligibility for the entire AU. The child's income can be excluded as a resource if placed in an irrevocable educational trust.

WORKER RESPONSIBILITIES

1. When a client reports that a child is working, accept the client's statement for the student status and employment. Verify only if questionable.
2. The client can use either the DSHS 14-223, Statement From School, or provide a statement from the school for verification of student status.
3. If the child age 17 or younger is in school for any amount of time, exclude their earnings regardless of the number of hours they work.
4. If the child is over age 17 but under age 21:
 - a. Count the earnings for Basic Food and medical programs for families, children, and pregnant women.
 - b. For cash assistance, exclude the earnings if the child meets the requirements in WAC 388-404-0005. If the child does not meet these requirements, count the earnings.
5. If the child is not in school, count the earnings.
6. Tell the client they may put the child's income into an irrevocable educational trust for the child.
 - a. Give the client form DSHS 22-954(X), "How to set up an irrevocable educational trust for your child."
 - b. If the client wants to set up an irrevocable educational trust for their child, give the client form DSHS 18-555(X), "Irrevocable Educational Trust."
7. Keep the pink copy of the completed form DSHS 18-555(X) in the case record.

Effective October 31, 2002

WAC 388-450-0010 The department takes some or all of your time-loss benefits if you get cash assistance while waiting for your claim to be processed.

- (1) Some people who are hurt on the job can get time-loss benefits because of their injury. The time-loss benefits are paid by an agency, such as the department of labor and industries or a private insurance company.
- (2) If you are an adult or minor child who gets cash assistance while waiting for your time-loss benefit claim to be processed, you are required to let the department take some or all of your time-loss benefits as repayment for your cash assistance. We will take our portion of the time-loss benefits before you get yours. You agree to this when you sign the application and accept your cash benefits.
- (3) The amount of your time-loss benefits that we take will not be more than the total amount of cash assistance you got while waiting for your claim to be approved.
- (4) If your assistance unit includes another adult to whom you are not married, the amount of your time-loss benefits we take may be less than the amount of cash assistance you received.
- (5) Each time we take our portion from your time-loss benefits, the office of financial recovery (OFR) will send you a letter telling you how much we are taking.
- (6) If you or your attorney claim that you are getting more time-loss benefits because of the help of your attorney, OFR will:
 - (a) First, figure out:
 - (i) How much of your time-loss benefits are a direct result of your attorney's work; and
 - (ii) Our proportionate share of your attorney's fees and costs for the amount we are taking; and
 - (b) Then, either:
 - (i) Subtract our share of your attorney's fees and costs from the amount we are taking; or

- (ii) Send your attorney their share of the time-loss benefits we have taken.
- (c) Send a copy of the account summary to you.

CLARIFYING INFORMATION

1. Retroactive payments for time-loss benefits are considered lump sums. To find out how to treat these payments, see WAC 388-455-0005. Count only the amount of the lump sum that the client receives. Do not count any amount the department recovers.
2. We **do not** recover time-loss compensation from clients that receive AREN payments if they don't receive ongoing assistance.

WORKER RESPONSIBILITIES

When a cash or family medical client has a pending time-loss compensation claim or files a claim with Labor and Industries (L&I):

1. Fill out the Time-Loss Benefits Claim Information form, DSHS 18-255(X), and forward it to the Office of Financial Recovery (OFR).
2. If the client has additional medical coverage, complete the DSHS 14-194(X), Health Insurance Coverage Information form.
3. Let the client know that when they accept public assistance, DSHS has the right to recover net time-loss compensation. Also tell them that OFR identifies time-loss compensation and decides how much they owe the department.
4. If a client disagrees with the department recovering time-loss compensation benefits, let the client know that may request a fair hearing.

Effective October 1, 2001

WAC 388-450-0080 What is self-employment income?

This section applies to TANF/SFA, GA, RCA, food assistance, and medical programs for children, pregnant women and families.

- (1) Self-employment income is income you earn from a business you own or operate rather than income from an employer. It does not have to be a licensed business to qualify as self-employment. Some examples of self-employment include:
 - (a) Childcare;
 - (b) Operating an adult family home;
 - (c) Farming/fishing;
 - (d) Driving a taxi cab;
 - (e) Selling self-produced or supplied items;
 - (f) Working as a subcontractor; and
 - (g) Operating a lodging for roomers and/or boarders. Roomer income includes money paid to you for shelter costs by someone who lives with you if you:
 - (i) Own your residence; or
 - (ii) Rent your residence and charge the other people more than the total rent.
- (2) Most self-employment income is considered earned income as described in WAC 388-450-0030.
- (3) For TANF/SFA and food assistance there are special rules about renting or leasing out property or real estate that you own.
 - (a) We count the income you get as unearned income unless you spend at least twenty hours per week managing the property.

- (b) For TANF/SFA, we count the income as unearned income unless the use of the property is a part of your approved individual responsibility plan.

CLARIFYING INFORMATION

1. Self-employment also includes:
 - a. Re-sale income (buying an item at one price and then selling it to another person for a profit);
 - b. Retainer fees to reserve a bed for a foster child; and
 - c. Selling or donating the client's own biological products such as blood, plasma, eggs, sperm, or hair.
2. A subcontractor is someone who enters into a contract with a primary contractor and assumes some of the obligations of the primary contractor. Some employers may call their employees subcontractors to reduce expenses or the demand for benefits. The table below can be used as a guide to decide if a client is a self-employed subcontractor or an employee:

An Employee:	<ul style="list-style-type: none"> • Receives an IRS form W-2 at the beginning of each year to report earnings for the previous year; and • Has taxes withheld from their pay.
A Subcontractor:	<ul style="list-style-type: none"> • Receives IRS form W-9 at the beginning of each year to report earnings for the previous year; • May perform work for one or more businesses; • Typically has a business license; and • Can produce either a contract or invoices to show the relationship between their business and the primary contractor(s).

EXAMPLE

A person that owns an electrical business is contracted by a homebuilder to complete the wiring for a new home. The electrical contractor bills the homebuilder on an invoice for the work performed. The homebuilder pays the

invoice and does not withhold taxes. The owner of the electrical business is a self-employed subcontractor.

3. For more information about how self-employment affects the WorkFirst participation of TANF/SFA clients, see the WorkFirst Handbook, Section 8.2, Self-employment.

Effective October 1, 2001

WAC 388-450-0085 How we count your self-employment income?

This section applies to TANF/SFA, GA, RCA, food assistance, and medical programs for children, pregnant women and families.

- (1) We decide how much of your self-employment income to count by:
 - (a) Adding together your gross self-employment income and your capital gains (all of the income you receive from the sale of your business property or equipment);
 - (b) Subtracting your business expenses as described in subsection (2) below; and
 - (c) Dividing the remaining amount of self-employment income by the number of months over which the income will be averaged.
- (2) We automatically subtract one hundred dollars as a business expense. If you want to claim more than one hundred dollars, you must itemize and provide proof of your expenses in order for us to count them. We never allow the following expenses:
 - (a) Federal, state, and local income taxes;
 - (b) Money set aside for retirement purposes;
 - (c) Personal work-related expenses (such as travel to and from work);
 - (d) Net losses from previous periods;
 - (e) Depreciation; or

(f)	Any amount that exceeds the payment you get from a boarder for lodging and meals.
(3)	If you have worked at your business for less than a year, we figure your gross self-employment income by averaging:
(a)	The income over the period of time the business has been in operation; and
(b)	The monthly amount estimated for the coming year.

CLARIFYING INFORMATION

1. Always allow the \$100 standard deduction even if the client states that their total expenses or their gross income are less than \$100.
2. Some examples of allowable expenses are:
 - a. Rent or lease of business equipment or property;
 - b. Utilities;
 - c. Postage;
 - d. Telephone;
 - e. Office Supplies;
 - f. Advertising;
 - g. Business related insurance, taxes, licenses and permits;
 - h. Legal, accounting and other professional fees;
 - i. Repairs to business equipment and property;
 - j. Gross wages and salaries paid to employees;
 - k. Business loans (interest and principle) used to purchase income-producing property or equipment; and

- I. Transportation costs such as gas, oil, replacing worn items, registration and licensing fees, and auto loans. The client may claim the actual transportation costs or use the State standard cost per mile. The current rate is \$.345 / mile.
- 3. If a client chooses to use their actual expenses instead of the standard deduction, they must itemize and provide proof of the expenses before we can use them.

WORKER RESPONSIBILITIES

- 1. When a client earns self-employment income, average the income and expenses, if actual are claimed, over the period the income covers.
 - a. If a client gets their annual income as self-employment income, and the client gets this income over a period of less than a year, average the self-employment income over the year.
 - b. If a client's income is from self-employment for only part of the year, average the income over the period of time the income covers.
 - c. If the averaged income doesn't represent what the client will receive due to a significant increase or decrease in business:
 - (1) Anticipate the client's self-employment income for each month; and
 - (2) Average any capital gains the client will receive over the year.
 - d. If the client chooses to use their actual expenses instead of the standard deduction, average or anticipate the expenses for the same period used for the income.
- 2. Each self-employment business is separate. Calculate the net self-employment income for each self-employment enterprise separately.
 - a. Do not use the losses on one business to offset the profit of another business.
 - b. Do not use the losses of one period to offset the profits of another period.

3. To determine the gross income, count the sales for items the business sold and gross income received for services provided by the business.

Calculating Net Self-employment Income in Special Situations

1. Farming or fishing income:
 - a. Calculate the client's total net farm or fishing self-employment income.
 - b. Calculate the client's total net self-employment income from sources other than farming or fishing. If there are two or more self-employment businesses that aren't farming or fishing, combine the losses or gains from each business to calculate a total net, non-farm or non-fishing self-employment income.
 - c. Subtract any net loss from farm or fishing self-employment. This is the net self-employment income.
 - d. Budget the net self-employment income as earned income to the AU.
2. Room and board income:
 - a. Count only payments made directly to the AU for room and board as income. This includes foster care payments if the person in foster care is a member of the AU.
 - b. Do not use the standard deduction as an expense. Instead use either:
 - (1) The maximum allotment for a household size equal to the number of boarders (see WAC 388-478-0060); or
 - (2) The actual, verified cost of providing room and meals if it exceeds the maximum allotment and the cost is separate from normal living expenses.
3. Roomer income:
 - a. Use either the standard self-employment deduction as a self-employment expense or:
 - (1) Verified non-board costs, such as laundry expenses; and

- (2) A prorated share of the mortgage, taxes, and insurance if the AU doesn't use the entire shelter cost toward the shelter deduction. Base the proration on the number of total bedrooms in the house.
 - b. Give the client the choice of using the entire shelter cost toward their shelter deduction or using a portion of it as a business expense.
 - c. For AUs renting a residence, the AU's rent obligation is not considered a rent expense if the AU rent outs a portion of the residence for more than the AU's rent obligation.
 - d. To decide what to count as a shelter expense, see the Shared Living/Roomer Section of Clarifying Information under WAC 388-450-0190.
4. Rental property:
- a. Any managerial duties can count toward the 20-hour weekly requirement. Consider hours that the client spends bookkeeping, showing the property to possible tenants, doing yard work, repairs, etc.
 - b. Budget the gross earned or unearned income from renting the property after subtracting the standard self-employment deduction or the following verified expenses:
 - (1) Property tax or a prorated share of the tax if the client's home and the rental property are taxed as a single unit;
 - (2) Maintenance costs for the property;
 - (3) The mortgage or sales contract payment for the rental property or a prorated share if the client's property and the rental property are in the same loan or contract; and
 - (4) The insurance premium or a prorated share if the client's home and the rental property are insured as a unit.